

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
MONTANA STATE AUDITOR**

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IN THE MATTER OF:	)	CASE NO. INS-2015-342
	)	
FAMILY BENEFIT LIFE INSURANCE	)	<b>ORDER DENYING CERTIFICATE</b>
COMPANY APPLICATION	)	<b>OF AUTHORITY</b>
	)	
	)	
	)	

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On August 17, 2015, Family Life Insurance Company (Family Life) submitted its Application for a Certificate of Authority to the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI). Included within that application was a biographical affidavit of Greg Zahn, Family Life's Chairman, President, CEO, Officer, and Director. Based on that application, and CSI records, the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), issues the following:

**FINDINGS OF FACT**

1. Mr. Zahn entered into a deferred prosecution agreement (Agreement) with the CSI in 1997 whereby he would surrender his insurance producer license and would be permanently banned from both the insurance and securities industry in Montana
2. The agreement was the result of an investigation into Mr Zahn's actions with AmWest Financial Network, wherein Mr. Zahn was accused of committing securities fraud.
3. Montanans suffered investment losses in excess of \$2.8 million dollars as a result of the schemes alleged in the agreement.
4. AmWest ultimately went broke, and Montanans were never compensated for the approximately \$2.8 million dollars in stock they were fraudulently induced to invest in.

5. Money which Mr. Zahn kept personally resulted in an additional amount of investment loss in excess of \$100,000.

6 Mr Zahn agreed to meet with the CSI regarding these investment losses, and made a commitment to pay restitution to the best of his ability.

7. To this date, Montanans have received no restitution either from Mr. Zahn or from AmWest.

### **CONCLUSIONS OF LAW**

1. The State Auditor is the Commissioner of Securities and Insurance. § 2-15-1903.

2. The CSI is under the control and supervision of the Commissioner. §§ 2-15-1902 and 33-1-301.

3. The Commissioner shall administer the CSI to protect insurance consumers, pursuant to § 33-1-311(3).

4. The Commissioner and the CSI have jurisdiction over this matter. § 33-1-311.

5. The Commissioner may not issue a certificate of authority to any insurer which has principal management personnel that are untrustworthy or not of good character. § 33-2-112.

6. Mr. Zahn is a part of the principal management personnel of Family Life Benefit Insurance Company because he is its President, CEO, Officer, and Director.

7. Based on the foregoing, Mr. Zahn is neither trustworthy nor of good character.

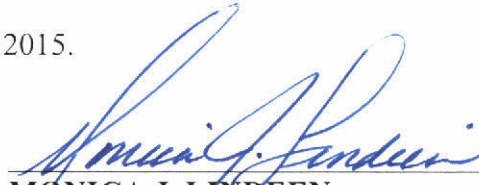
Therefore, the Commissioner issues the following:

### **ORDER**

IT IS ORDERED that, pursuant to § 33-2-112, the Family Benefit Life Insurance Company Application for a Montana Certificate of Authority is DENIED.

Any appeal of this Order must be made pursuant to the provisions of § 33-1-701(2) or § 33-1-711(1).

DATED this 30<sup>th</sup> day of November, 2015.



**MONICA J. LINDEEN**

Commissioner of Securities and Insurance,  
Montana State Auditor

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 30<sup>th</sup> day of November, 2015, a true and correct copy of the foregoing was served upon the following by U.S. mail, certified, postage prepaid:

Travis Cantrell  
7633 East 63<sup>rd</sup> Place, Suite 230  
Tulsa, OK 74133

Via Hand-delivery:

Brett O'Neil

